

Decision **DRAFT DECISION OF ALJ COOKE** (Mailed 8/20/02)**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company To Change Distribution Level Standby Rates As Required By CPUC Decision 01-07-027. (U 39 E)	Application 01-09-015 (Filed September 10, 2001)
Application of San Diego Gas & Electric Company (U 902-M) Proposing A Standby Rate Design for Non-Exempt Distributed Generation.	Application 01-09-016 (Filed September 10, 2001)
Application of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) for Approval of Interim Standby Rates	Application 01-09-017 (Filed September 10, 2001)

OPINION DISMISSING APPLICATIONS WITHOUT PREJUDICE**1. Summary**

This decision dismisses these applications without prejudice and directs San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE), and Pacific Gas and Electric Company (PG&E) to submit their standby rate design proposals to comply with Decision (D.) 01-07-027 in their next General Rate Case, Rate Design Phase application.

2. Procedural Background

D.01-07-027 directed SDG&E, SCE, and PG&E to file applications within 60 days of its adoption to implement the standby rate design policies adopted therein. On September 10, 2001, all three utilities complied. Protests to all three applications were filed by the Office of Ratepayer Advocates (ORA),

Solar Turbines, Inc. (Turbines), and the California Cogeneration Council (CCC). SDG&E, SCE, and PG&E filed replies to the protests. On December 18, 2001, Turbines filed a motion for acceptance of withdrawal of its appearance in these dockets. No action has occurred in the dockets since that time.

3. Discussion

When we ordered SDG&E, SCE, and PG&E to file the instant applications, we recognized that adopting standby rates, independent of adjustments to other distribution rates, could result in temporal cost allocation issues between customer classes. SCE is now scheduled to file its comprehensive rate design proposal in its general rate case on October 30, 2002. (*See Assigned Commission's Ruling Establishing Scope, Schedule, and Procedures for Proceeding, A.02-05-004/I.02-06-002.*) PG&E has tendered its Notice of Intent for its general rate case, thus we will be reviewing PG&E's rate design in the near future. SDG&E is scheduled to file a cost of service application by year-end 2002, with the expectation of a comprehensive rate design filing shortly thereafter. (*See D.02-04-060, fn. 7.*) Thus, because no action has yet been taken on these standby rate design applications, it makes sense for us to consider modifications to standby rates concurrent with changes to all distribution rates. With concurrent review of all rate design changes, no temporal cost allocation issues will occur. For this reason, we will dismiss these applications without prejudice, and order SDG&E, SCE, and PG&E to incorporate their standby rate design proposals made in compliance with D.01-07-027 into their upcoming rate design filings or applications.

4. Comments on Draft Decision

The proposed decision of ALJ Cooke in this matter was mailed to the parties in accordance with Public Utilities Code Section 311(g)(1) and Rule 77.7 of

the Rules of Practice and Procedure. Comments were filed on _____ and reply comments were filed on _____.

Findings of Fact

1. SDG&E, SCE, and PG&E filed applications to implement standby rates in compliance with D.01-07-027.
2. No action has occurred on the applications.
3. SDG&E, SCE, and PG&E are scheduled to file comprehensive rate design proposals in the near future.

Conclusion of Law

It is reasonable to consider changes to standby rates concurrent with changes to other distribution rates in comprehensive rate design filings or applications.

O R D E R

IT IS ORDERED that:

1. Applications (A.) 01-09-015, A.01-09-016, and A.01-09-017 are dismissed without prejudice.
2. San Diego Gas & Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company shall incorporate their proposals to comply with Decision 01-07-027 into their next comprehensive rate design filings or applications.

3. These proceedings are closed.

This order is effective today.

Dated _____, at San Francisco, California.